

SENATE BILL

No. 12

Introduced by Committee on Budget and Fiscal Review

January 27, 2003

An act to repeal Section 10903 of the Revenue and Taxation Code, relating to vehicle license fees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 12, as introduced, Committee on Budget and Fiscal Review. Vehicle license fees.

The Vehicle License Fee (VLF) Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state in the amount of 2% of the market value of that vehicle, as specified. Notwithstanding those provisions, the Vehicle License Fee Law provides for a vehicle license fee offset of 67.5%, and for vehicle license fees with a due date prior to July 1, 2001, requires a portion of that offset to be paid in the form of a rebate. Existing law provides, for the 2000–01 and 2001–02 fiscal years, that the rebate portion of this offset be paid from moneys in the Special Reserve Fund for Vehicle License Fee Tax Relief.

This bill would abolish the Special Reserve Fund for Vehicle License Fee Tax Relief. This bill would also transfer any remaining moneys in the fund to the General Fund, from which would be paid the rebate portion of the offsets applied against vehicle license fees due before July 1, 2001. This bill would also make an appropriation by providing that, if these transferred moneys are not sufficient for this purpose, then any remaining offsets would be paid from the General Fund.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 10903 of the Revenue and Taxation
2 Code is repealed.

3 ~~10903. (a) Notwithstanding Section 13340 of the~~
4 ~~Government Code, there is hereby appropriated from the General~~
5 ~~Fund the sum of two billion fifty two million dollars~~
6 ~~(\$2,052,000,000) for transfer by the Controller, upon notification~~
7 ~~by the Director of Finance during the 2000-01 fiscal year, to the~~
8 ~~Special Reserve Fund for Vehicle License Fee Tax Relief, which~~
9 ~~is hereby created as a special fund. The amounts appropriated by~~
10 ~~this subdivision for transfer to the Special Reserve Fund for~~
11 ~~Vehicle License Fee Tax Relief shall be expended as follows:~~

12 ~~(1) Eight hundred and eighty seven million dollars~~
13 ~~(\$887,000,000) for the payment of additional vehicle license fee~~
14 ~~offsets for the 2000-01 fiscal year.~~

15 ~~(2) One billion one hundred sixty five million dollars~~
16 ~~(\$1,165,000,000) for the payment of additional vehicle license fee~~
17 ~~offsets for the funding of those transfers required by subdivision~~
18 ~~(a) of Section 11000 for the 2001-02 fiscal year.~~

19 ~~(b) The Department of Motor Vehicles shall provide both of the~~
20 ~~following notices to the Controller in connection with each~~
21 ~~monthly report pursuant to Section 10754.2 of additional vehicle~~
22 ~~license fee offsets calculated by that department pursuant to that~~
23 ~~section:~~

24 ~~(1) A notice for each month of the total dollar amount of the~~
25 ~~additional vehicle license fee offsets calculated by the department~~
26 ~~during that month pursuant to Section 10754.2.~~

27 ~~(2) A notice of the total dollar amount of the additional vehicle~~
28 ~~license fee offsets calculated by the department pursuant to~~
29 ~~Section 10754.2 for the calendar year to the date of each monthly~~
30 ~~report provided pursuant to Section 10754.2.~~

31 SEC. 2. (a) Notwithstanding any other provision of law, the
32 Special Reserve Fund for Vehicle License Fee Tax Relief is
33 abolished, and any moneys remaining in the Special Reserve Fund

1 for Vehicle License Fee Tax Relief on the operative date of this
2 section are hereby transferred to the General Fund.

3 (b) (1) Those moneys that are transferred pursuant to
4 subdivision (a) shall be allocated by the Controller to the extent
5 necessary to pay those as yet unpaid vehicle license fee offsets
6 required by former Section 10754.2 of the Revenue and Taxation
7 Code, as continued in operation on or after July 1, 2001, by Section
8 5 of Chapter 5 of the Statutes of 2001.

9 (2) If the moneys transferred pursuant to subdivision (a) are not
10 sufficient to fulfill the purposes described in paragraph (1), those
11 as yet unpaid vehicle license fee offsets required by former Section
12 10754.2 of the Revenue and Taxation Code, as continued in
13 operation on and after July 1, 2001, by Section 5 of Chapter 5 of
14 the Statutes of 2001, shall be paid from the General Fund.

15 (c) The Department of Motor Vehicles shall provide both of the
16 following notices to the Controller in connection with each
17 monthly report required pursuant to former Section 10754.2 of the
18 Revenue and Taxation Code for additional vehicle license fee
19 offsets calculated by that department pursuant to that former
20 section, as continued in operation pursuant to Section 5 of Chapter
21 5 of the Statutes of 2001:

22 (1) A notice for each month of the total dollar amount of the
23 additional vehicle license fee offsets calculated by the department
24 during that month pursuant to former Section 10754.2 of the
25 Revenue and Taxation Code, as continued in operation pursuant to
26 Section 5 of Chapter 5 of the Statutes of 2001.

27 (2) A notice of the total dollar amount of the additional vehicle
28 license fee offsets calculated by the department pursuant to former
29 Section 10754.2 of the Revenue and Taxation Code, as continued
30 in operation pursuant to Section 5 of Chapter 5 of the Statutes of
31 2001, for the calendar year to the date of each monthly report
32 provided pursuant to former Section 10754.2 of the Revenue and
33 Taxation Code.

34 SEC. 3. This act is an urgency statute necessary for the
35 immediate preservation of the public peace, health, or safety
36 within the meaning of Article IV of the Constitution and shall go
37 into immediate effect. The facts constituting the necessity are:

38 In order to obtain immediate access to surplus funds in the
39 Special Reserve Fund for Vehicle License Fee Tax Relief to
40 provide services that preserve the public peace, health, and safety,

- 1 while still providing the vehicle license fee rebates currently
- 2 required by law, it is necessary that this act take effect immediately.

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